

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 44

February 11, 2009

SUMMARY OF BILL: Requires the Tennessee Student Assistance Corporation (TSAC) to establish and implement the ASPIRE work-study program. Such program would provide (1) additional financial assistance from net lottery proceeds to eligible Tennessee students who are recipients of the HOPE scholarship and the ASPIRE award, and (2) tutoring, mentoring, and assistance to elementary and secondary school students so that such students may eventually qualify for Tennessee HOPE scholarships.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact - Increases the expenditure of lottery proceeds earmarked for scholarships and grants by \$2,778,100 in FY09-10 and by \$2,859,100 in FY10-11.

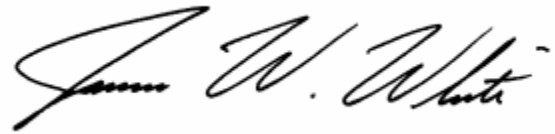
Assumptions:

- TSAC projects 15,106 students would be eligible for the work-study program in FY09-10.
- Given that financial aid derived from this proposed work-study program supplements the existing ASPIRE award of \$1,500, TSAC projects 10 percent of eligible HOPE with ASPIRE students (1,511) would participate in FY09-10.
- The maximum amount earnable by eligible students is \$1,000 per semester, or \$2,000 per academic year.
- The average amount earned per participant is estimated to be 90 percent of maximum (\$1,800 per academic year).
- One additional position for TSAC to administer program estimated to be \$58,300 per year (\$34,300 salary, \$9,600 benefits, \$14,400 other).
- The increase to expenditures from lottery proceeds for FY09-10 is estimated to be \$2,778,100 $[(1,511 \times \$1,800) + \$58,300 = \$2,778,100]$.
- TSAC projects 15,560 students would be eligible for the work-study program in FY10-11.

- TSAC projects 10 percent of eligible HOPE with ASPIRE students (1,556) would participate in FY10-11.
- The increase to expenditures from lottery proceeds for FY10-11 is estimated to be \$2,859,100 $[(1,556 \times \$1,800) + \$58,300 = \$2,859,100]$.
- According to the Department of Education, this bill will not have a significant impact on departmental revenue or expenditures.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/rnc